

MOST-FAVORED-NATION TREATMENT FOR AREAS UNDER OCCUPATION OR CONTROL

Exchange of notes at Brussels July 2, 1948

Entered into force July 2, 1948

Expired in accordance with its terms

62 Stat. 2880; Treaties and Other
International Acts Series 1821

*The American Ambassador to the Minister of Foreign Affairs*¹

July 2, 1948

EXCELLENCY,

I have the honor to refer to the conversations which have recently taken place between representatives of our two Governments relating to the territorial application of commercial arrangements between the United States of America and the Kingdom of Belgium and to confirm the understanding reached as a result of these conversations as follows:

1. For such time as the Government of the United States of America participates in the occupation or control of any areas in Western Germany and in the Free Territory of Trieste, the Government of Belgium will apply to the merchandise trade of such area the provisions of the General Agreement on Tariffs and Trade dated October 30, 1947,² as now or hereafter amended, relating to most favored nation treatment.

2. The undertaking in point 1 above will apply to the merchandise trade of any area referred to therein only for such time and to such extent as such area accords reciprocal most favored nation treatment to the merchandise trade of Belgium.

3. The undertakings in points 1 and 2 above are entered into in the light of the absence at the present time of effective or significant tariff barriers to imports into the areas herein concerned. In the event that such tariff barriers are imposed, it is understood that such undertakings shall be without prejudice to the application of the principles set forth in the Havana Charter

¹ An identical note, addressed to the American Ambassador, was signed by the Minister of Foreign Affairs, Paul Henri Spaak, on the same day, July 2, 1948, at the time of the signing of the Economic Cooperation Agreement between the United States and Belgium (TIAS 1781, *post*, p. 678).

² TIAS 1700, *ante*, vol. 4, p. 641.

for an International Trade Organization³ relating to the reduction of tariffs on a mutually advantageous basis.

4. It is recognised that the absence of a uniform rate of exchange for the currency of the areas in Western Germany, referred to in point 1 above, may have the effect of indirectly subsidizing the exports of such areas to an extent which it would be difficult to calculate exactly. So long as such a condition exists, and if consultation with the Government of the United States of America fails to reach an agreed solution to the problem, it is understood that it would not be inconsistent with the undertaking in point 1 for the Government of Belgium to levy a countervailing duty on imports of such goods equivalent to the estimated amount of such subsidization, where the Government of Belgium determines that the subsidization is such as to cause or threaten material injury to an established domestic industry or is such as to prevent or materially retard the establishment of a domestic industry.

5. The undertakings in this note shall remain in force until January 1, 1951, and unless at least six months before January 1, 1951, either Government shall have given notice in writing to the other of intention to terminate these undertakings on that date, they shall remain in force thereafter until the expiration of six months from the date on which such notice shall have been given.

I avail myself of this occasion to renew to Your Excellency the assurances of my highest consideration.

ALAN G. KIRK

³ Unperfected; for excerpts, see *A Decade of American Foreign Policy: Basic Documents 1941-49* (S. Doc. 123, 81st Cong., 1st sess.), p. 391.